

REMARKS

The kindness and helpfulness of Examiner Le and Examiner Myhre during the interview of January 11, 2005 are acknowledged and were greatly appreciated. Dale Lazar and Lisa Norton attended the interview. The following remarks were presented at the interview.

Claims 37-109 are pending in the application. Claims 37, 54, 63, 77, 81, 95, 99, 103, and 107-109 are the independent claims. Claims 107-109 are newly added claims.

The Office Action indicated that Claims 52-53, 74, 79-80, and 105-106 are allowed.

The Office Action indicated that Claims 37-51, 54-73, 75-78, and 81-104 are rejected under 35 U.S.C. 103(a) as being anticipated by Luke (U.S. 6,131,087) in view of Herz (U.S. 6,571,279). Applicants respectfully disagree.

112 and 101 Rejections Addressed

Claim 99 stands rejected under Section 112. Claim 99 has been amended to obviate this rejection.

Claims 77, 81 and 95 and their dependencies stand rejected under Section 101. Claims 77, 81 and 95 have been amended to obviate this rejection.

Luke and Herz Not Combinable

The Examiner rejected Claims 37-51, 54-73, 75-78, and 81-104 based on Luke as modified by the teachings of Herz. It is respectfully suggested that the Office Action has failed to present a *prima facie* case of obviousness, because it would not have been obvious for those skilled in the art to make the modifications to achieve the present invention as set forth in the

Office Action, because making such modifications would have destroyed Luke for its intended purpose.

Luke cannot be modified to make it useful for an advertiser to present advertising to a content distributor, where the content distributor, or a proxy determines an estimated price. Luke relates to creating a market for products between a buyer and a seller. The Office Action seems to suggest that the product would be modified to be an advertisement, the buyer would be modified to be an advertiser, and the seller would be modified to be a content distributor.

The Office Action notes that, in Luke, the buyers (and thus, advertisers) send in product constraints. Note that in Luke, the constraints relate to the **product**, and thus the **advertisement**. The Office Action suggests that it would have been obvious to modify Luke so that the constraints relate to **desired characteristics of the target users or audience, and not the advertisement itself**. Thus, the system of Luke would have to be modified so that the buyers (the advertisers) would send in desired characteristics of users of the product (e.g., information on target audience) instead of characteristics of the product itself (e.g., information on how the ad appears or how long it is to be shown). In a negotiation between a buyer and a seller such as the one set forth in Luke, how could a buyer specify characteristics of users of the products rather than the products themselves? Such a change would destroy Luke for its intended purpose of making a market in complex product configuration.

Furthermore, in Luke, one party makes a solicitation and the other party makes an offer. In Luke, the solicitation/offer pair is compared to determine if a deal can be struck. The Office Action suggests that it would have been obvious to modify Luke so that one party, the seller determines the estimated price without the buyer, and that the seller sets the estimated price based on the selection of target users selected by the seller to meet the constraints. The entire

purpose of the system in Luke is to compare a solicitation from one party to an offer from the other party, in other words, **to negotiate**. Having a **non-negotiable** price set by only one of the parties would destroy the system in Luke for its intended purpose. Further, setting the price based on selecting target users (other than the buyer) who meet constraints would destroy Luke for its intended purpose of managing a bargaining session based on a solicitation and an offer. It would not be obvious to modify the system in Luke of managing a bargaining session to completely eliminate the solicitation and offer and any bargaining. Thus, the Office Action fails to present a *prima facie* case of obviousness since to modify the system in Luke in the manner suggested would destroy the system in Luke for its intended purpose.

Applicant respectfully submits that Claims 37, 54, 63, 77, 81, 95, 99, and 103 are thus patentable over Luke and Herz. Claims 38-51, 55-72, 75-78, 82-93, 95-98, and 100-102 depend on the amended independent claims, and are also thus allowable.

Content Distributor Determines Price

Luke and Herz also do not teach the feature of the **content distributor determining the price**. Luke does not specifically disclose negotiations between advertisers and broadcasters. In Herz discloses a system where advertisers and vendors are discussed, but in the context of **determining a price based on collecting bids** (see, *e.g.*, column 11, lines 28-40) rather than **determining a price based on the profile information**. This feature of **determining a price based only on the profile information and not involving a bid process** is disclosed in Applicant's application (see, *e.g.*, page 11, lines 7-22; page 23, line 15 – page 24, lines 1). Claim 107 includes this feature, as highlighted below.

107. A method for arranging advertising, comprising:

receiving one or more constraints related to an advertisement by a content distributor over a network, wherein the one or more constraints define desired characteristics of one or more target users to whom the advertisement is to be delivered;

determining an estimated price for delivery of the advertisement, by or on behalf of the content distributor and not by an advertiser, based on the selection of the one or more target user to whom the advertisement is to be delivered **in a manner that does not involve a bidding process**, whether the one or more target users are selected by or on behalf of the content distributor, to meet each of the one or more constraints; and

sending the estimated price over the network.

Services of a Marketing Intermediary Not Required

Luke is a method for automatically identifying, matching, and near-matching buyers and sellers in electronic market transactions. Herz teaches a location enhanced information system which customizes the information that is displayed to an information recipient based on optimizing a match between information purveyors, such as advertisers, and the information recipients who are local to an information delivery system. However, Luke and Herz do not teach the feature of **the selection of the one or more target users is accomplished by the content provider without using services of a marketing intermediary**. Herz does not provide any details on this feature. The point of Luke is the opposite: to set up an intermediary system that negotiates for buyers and sellers. This feature is disclosed in Applicant's specification (see, e.g., page 16, lines -11). This feature is also present in Claim 108, as indicated in bold below.

108. A method for arranging advertising, comprising:

receiving one or more constraints related to an advertisement by a content distributor over a network, wherein the one or more constraints define desired characteristics of one or more target users to whom the advertisement is to be delivered;

determining an estimated price for delivery of the advertisement, by or on behalf of the content distributor but not by an advertiser, based on the selection of the one or more target users to whom the advertisement is to be delivered, whether the one or more target users are selected by or on behalf of the content distributor, to meet each of the one or more constraints;

sending the estimated price over the network; and

delivering the advertising;

wherein the selection of the one or more target users is accomplished by the content provider without using services of a marketing intermediary.

Applicant respectfully submits that Claim 108 is thus patentable over Luke and Herz.

Individual Price Computation for Delivering Content to Each Target User

Luke and Herz also do not teach the feature of an **individual price computation for delivering content to each target user. Neither Luke nor Herz provide any details on how the price is computed, as related to determining individual prices first, and then adding these individual prices together. This feature of an **individual price computation for delivering content to each target user** is supported in Applicant's specification (see, e.g., page 7, lines 6-10.) This feature is also present in Claim 109, as highlighted below.**

109. A method for arranging advertising, comprising:
receiving one or more constraints related to an advertisement by a content distributor over a network, wherein the one or more constraints define desired characteristics of one or more target users to whom the advertisement is to be delivered;
determining an estimated price for delivery of the advertisement **by summing up the price of delivering the content to each target user**, by or on behalf of the content distributor and not by an advertiser, based on the selection of the one or more target user to whom the advertisement is to be delivered, whether the one or more target users are selected by or on behalf of the content distributor, to meet each of the one or more constraints; and
sending the estimated price over the network.

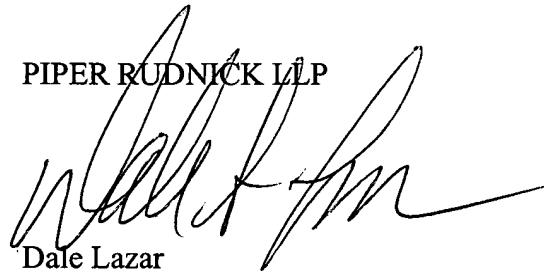
Applicant respectfully submits that Claim 109 is thus patentable over Luke and Herz.

Concluding Remarks

Applicants believe the objections and rejections in the Office Action have been addressed and that the application is now in condition for allowance. The Examiner is invited to contact the undersigned by telephone should the Examiner believe that personal communication will expedite prosecution of this application.

Respectfully submitted,

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